GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:110
ANSWERED ON:15.11.2007
NEW REGIONAL AIRLINES
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government has any proposal to start new regional airlines;

(b) if so, the details alongwith the norms laid down for the operation of the same;

(c) whether all non-metro cities would have easier connectivity with all parts of the country particularly smaller and big towns with the introduction of regional airlines;

(d) if so, the details thereof; and

(e) the time by which the new Regional Airlines would come into operation?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a):- Directorate General of Civil Aviation (DGCA) has issued Civil Aviation Requirements for scheduled regional air transport service.

(b), (c) and (d) :-The concept of regional airline has been introduced with a view to promote air connectivity within a region, expand air travel services for Tier II and Tier III cities and between specific regions. There are four regions identified as North, South, West, East/ North-East coinciding with the Flight Information Regions (FIRs) as defined by the Airports Authority of India (AAI) . The regional airlines are not permitted to operate on cateogry I routes. However, the regional airlines of the southern region which has 3 metros would be allowed to operate between the metros within the southern region namely Bangalore, Chennai and Hyderabad.

The airline can operate with minimum of 3 aircrafts and the equity requirements are as under :-

(a) Airlines operating with aircraft with take off mass equal to or exceeding 40,000 kg. upto 3 aircraft − Rs 30 crores

b) for each additional aircraft, additional equity investment of Rs. 10 crores will be required, subject to a maximum of Rs. 50 crores after which no further equity enhancement is required

Airlines operating with aircraft with take off mass not exceeding 40,000 kg.

a) upto 3 aircraft − Rs. 12 crores

b) for each additional aircraft paid up capital of Rs. 4 crores will be required subject to a maximum of Rs 20 crores after which no further equity enhancement is required. There may be no need for further enhancement of equity if the paid up equity/ reserves of Rs. 50 crores is available with the airline.

It is however, up to the airlines to provide air services to specific places depending upon the traffic demand and commercial viability.

(e):- The applications received for Regional Airlines are under consideration of the Government.